



BRAND PERFORMANCE CHECK

Schöffel Sportbekleidung GmbH

PUBLICATION DATE: JULY 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Schöffel Sportbekleidung GmbH

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Schwabmünchen, Germany
Member since:	08-02-2011
Product types:	Outdoor, Sportswear, Workwear
Production in countries where FWF is active:	Bulgaria, China, India, Indonesia, Romania, Turkey, Viet Nam
Production in other countries:	Ethiopia, Germany, Italy, Latvia, Lithuania, Republic of Moldova, Republic of Poland, Portugal, Serbia
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	79
Category	Leader

Summary:

Schöffel has shown advanced results on FWF performance indicators. With a monitoring percentage of 96% and a benchmarking score of 79, it remains in the Leader category for the third year in a row.

Schöffel continued analysing root causes for excessive overtime and improving its production planning to support reasonable working hours. The average lead time was increased to 170/180 days, to allow production locations to plan better and distribute their production in time. Schöffel asked factories in Bulgaria to conduct an analysis of time worked. Results showed that overtime had been significantly reduced, thanks to an improved structure and production planning.

Schöffel also improved on following up on corrective actions. The company hired a technician in Ethiopia to support the factory capacity building as well as social and safety compliance.

FWF advises Schöffel to define its due diligence process and communicate it transparently to suppliers, so that if they do not fulfill the brand's requirements, they understand that the relationship may be terminated. Furthermore, Schöffel should continue its efforts in monitoring its supply chain tail end.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	85%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2016, 85% of Schöffel's production volume came from factories where they buy at least 10% of production capacity. It has improved since the previous year where it was 78%.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	22%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

Comment: Schöffel sourced 22% of its products from production locations where it buys less than 2% of its FOB.

Recommendation: FWF recommends Schöffel to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, Schöffel should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

FWF advises to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	40%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	2	4	0

Comment: Schöffel aims to achieve long term, stable relationships with its suppliers. However the production volume coming from factories which Schöffel works with for at least five years dropped from 59% to 40% in 2016. The reasons for that are that some of the oldest suppliers received less orders, a new supplier was brought in and some important suppliers used new productions locations

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: Schöffel could show it collected all questionnaires from its new production locations in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: Before starting to work in a new country, Schöffel CSR team analyses FWF country studies and visits the country. And before the first order is placed at a new production location, Schöffel staff visits the factory, uses the FWF Basic Health and Safety Checklist, checks whether the CoLP has been posted and reports in detail to the CSR team.

In 2016, a new production location was used in Portugal for B2B orders, the CSR manager was, for the first time, directly involved on the field in the decision of producing there, together with Purchase and Quality teams. The factory also works with another FWF member which is also one of the reason it got Schöffel's preference.

Recommendation: It is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: Schöffel has developed an elaborate system in 2014 to evaluate supplier performance regarding aspects such as quality, pricing and CSR. This tool has helped Schöffel to increase meaningful discussions among different departments concerning the performance of their suppliers. Suppliers are informed about their rating and are generally eager to improve. The evaluation of suppliers takes place twice a year and leads to awarding the best rated supplier. In 2016, Schöffel awarded its own CSR and Supplier Award for the first time.

Schöffel terminated its relationship with two suppliers who couldn't deliver quality products after a couple of seasons.

Recommendation: FWF advises Schöffel to define its due diligence and exit procedure and communicate transparently to suppliers about it.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: Production time is calculated together with the supplier including extra time for e.g. development of the product, delivery time for fabric, production and transportation time. In 2016, there was an initial production planning per style which the factory received and had to give feedback on- discussions then took place until reaching an agreement with a final planning. Schöffel analyses peak and low seasons of its suppliers and places orders for NOS (never out of stock) articles partly during low production season. Schöffel works continuously on possibilities to decrease production pressure on the factory and shares forecasts and orders as soon possible. Most productions sites are regularly visited by a Schöffel technician during production for quality control and to coordinate smooth production processes.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	6	6	0

Comment: Audits conducted in Asia and Turkey included findings on excessive overtime. Schöffel closely monitors the issue and researches root causes of overtime, by talking to each factory. Schöffel tries to support factories in doing a better production planning even though some suppliers are not open to discussion. In general, Schöffel is flexible with delivery dates and also allows suppliers to deliver and invoice goods earlier. The average lead time was increased and is currently of approximately 170 to 180 days.

In 2016, Schöffel asked a supplier that owns two factories in Bulgaria to do an analysis of worked time. Results showed that overtime had been significantly reduced, thanks to an improved structure and production planning. Schöffel also started to accept partial shipments from Ethiopia in order to mitigate overtime and spread out production.

Recommendation: FWF encourages Schöffel to continue its efforts towards mitigating root causes of overtime and try to monitor working hours like it did in Bulgaria. If necessary, Schöffel could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF also recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0

Comment: Schöffel uses costing sheets for all products showing costs for material, labour and factory profit margin as well as working minute per piece. Even though it is hard to know the detailed cost break-down of CMT, it already provides indications that the company can use in order to pay prices that support the payment of better wages. In 2016, there was a comparison made between a Chinese and a Vietnamese supplier and Schöffel chose the supplier with the highest CMT price. To ensure that workers receive at least minimum wages, labour costs are cross-checked with wage ladders of FWF audits.

Recommendation: FWF recommends Schöffel to identify a way that allows them to increase their knowledge on labour costs per product without overhead labour costs.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

Comment: At one production location audited, failure to pay legal minimum wage was found. After discussion, Schöffel and its supplier agreed on a system to make sure legal minimum wage is paid to all workers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Comment: Schöffel continuously analyses wage levels of their suppliers based on the FWF wage ladders and their own costing sheets. In 2016, living wages studies and an evaluation of living costs in Vietnam were made in order to join the FWF living wage incubator. Schöffel created a benchmark of factories in each production country – it compared figures of the FWF wage ladders and wages paid without overtime found in audits findings.

While the analysis of wage levels is considered during price negotiations, Schöffel does not systematically use it to work towards higher wage benchmarks and could not show that they have fundamentally revised its pricing policy to support living wages yet.

Recommendation: FWF encourages Schöffel to continue their work on living wages through FWF incubator, and to start raising wage levels based on their work at its pilot factory. Schöffel should also revise its pricing policy systematically in order to move to a higher benchmark.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect a member company's score.	Supplier information provided by member company.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 31

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	89%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	7%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	Implementation will be assessed next Brand Performance Check
Total of own production under monitoring	96%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: Schöffel has staff designated to follow up on problems identified in the monitoring system. During 2015, Schöffel explored options to hire local staff to support quality control and social compliance and has since hired an employee in Vietnam in March 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Comment: Schöffel used audit reports that are results of "own audits" of another FWF member. Those were counted as "external audits" which are assessed in the indicator 2.6.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: The CSR manager receives audit reports, adds some comments in the CAPs and then shares them with factories in order to ask for feedback. Sometimes the FWF audit team time frame is used and sometimes the factories suggests deadlines that seem realistic to them. Schöffel stated that it is harder to share and follow up on CAPs when an agent is involved in the process.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: Schöffel has a robust system in place to follow up on corrective action plans. Schöffel asks their suppliers to send pictures or documents to confirm improvements; quality control staff checks improvements on site, where possible. More complex and structural findings are discussed when suppliers are in Europe or during factory visits. Next to CSR staff, top management is often involved in discussions. Schöffel also actively asks to involve worker representatives where possible.

In 2016, Schöffel followed up on CAPs and could show FWF improvements made by some factories on several issues. The company hired a technician in Ethiopia to support the factory capacity building as well as social and safety compliance.

Recommendation: To facilitate remediation, Schöffel could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing improvements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	89%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: 89% of production locations were visited in 2016 which is a big improvement from the previous year (54%).

The last couple of years, Schöffel visited factories more frequently in order to mitigate risks and follow-up on CAPs. More staff was trained to be able to check on improvements related to working conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Schöffel collects existing audit reports or commissions audits where FWF does not have audit teams, assesses the audit quality and supports remediation. These audits account for 26% of Schöffel's monitoring threshold.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	N/A	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: Schöffel analyses common risks for their sourcing countries and products using information provided by FWF (country studies, stakeholder information) as well as other NGOs.

One long-term Vietnamese partner of Schöffel set up a production facility in Ethiopia in 2015, a country where FWF is not active. Schöffel conducted human rights due diligence before the decision to place orders at the new site was made and since then has hired a dedicated staff to follow up on the factory production planning, health and safety, and social compliance.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Whenever possible, Schöffel actively shares audits and CAPs follow-up with FWF members and other customers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	Member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

Comment: About 8% of Schöffel's production volume was produced in low risk countries, in 2016. Most suppliers have been visited by Schöffel, the FWF questionnaire has been signed and the CoLP has been posted. Only one production location in Lithuania (accounting for less than 1% of Schöffel's total FOB) was not visited in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	3	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	Yes, and member has information of production locations	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	1	1	0

Comment: For its three licensees (in Japan, Taiwan and UK), Schöffel could show the collected signed questionnaires. The licensees also sent audit reports concerning production of their other brands and shared the production locations with Schöffel. They have to fulfill the Schöffel's requirements which apply to their own production and closer monitoring will be implemented in the future.

MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 25

Additional comments on Monitoring and Remediation:

Requirement: In the tail end of Schöffel's supplier base, FWF requires Schöffel to ensure it audits all production locations that are responsible for over 2% of production and production locations where Schöffel is responsible for over 10% of the location's production capacity.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	3	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	2	
Number of worker complaints resolved since last check	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: Schöffel has a designated person to follow up complaints. It has a policy describing the procedure to follow up complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: Schöffel collects and files pictures of the posted Worker Information Sheet in a systematic manner. It could show that the document was posted in the factories that joined their supply chain in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	46%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	2	4	0

Comment: Schöffel has enrolled two of its production locations in WEP trainings in 2016. Audits findings and trainings showed that at 46% of FWF audited production locations, at least half of workers were aware of the worker helpline.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Schöffel received four complaints in 2016 and followed-up according to the FWF Complaints Procedure. Schöffel cooperates with factories' managements to discuss the three ongoing complaints and remediation. Schöffel enrolled two of its factories that had complaints in WEP trainings to remediate and prevent issues.

Recommendation: FWF encourages Schöffel to continue its root causes analysis of complaints and prevention of these causes in a systematic manner.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: Schöffel actively cooperated with other FWF members at shared factories. A training was decided with the other FWF brands to remediate issues after a complaint at a common suppliers.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 10

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: In 2016, an intranet was launched that gathers articles about different news, including CSR and FWF related issues. Some students attended a training on products and FWF membership and then went in the stores to train shops' staff and retailers. The Quality and CSR department also shared Schöffel's Social Report internally.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: In the past years, quality control staff participated in FWF's members training and CSR staff attended FWF annual conference and other FWF events and workshops. Once a month the Head of Production and the Head of Quality/CSR meet to discuss the main updates.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

Comment: Schöffel's agents are briefed about FWF and signed the Code of Labour Practice, however some of them are less responsive than others when it comes to CAPs follow up.

The suppliers' evaluation is also used by Schoffel when meeting intermediates, so they can improve implementation of COLP in their production locations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	51%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: In 2016, one Turkish and one Chinese suppliers were trained by FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0

Comment: Schöffel offered a training to its Ethiopian factory but the supplier felt that they should focus on improving production and quality processes in the new factory first.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: In 2016, Schöffel had a challenging situation with one supplier in China; it has three production locations and supplies very specific products. The management was not able to say where they actually made Schöffel's products. Together with other FWF members, the company is still investigating and trying to find out which subcontractors are used.

Agents and suppliers are aware that they must inform Schöffel beforehand and receive their confirmation if they wish to use different production locations for Schöffel orders. But transparency is harder when agents are involved.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: All staff in direct contact with suppliers can access information and files (such as questionnaires) about the production locations, on the company's server or in the information system. The production team can thus check if all requirements are met before they can place new orders at one production location.

Twice a week there is a meeting with Production, and Quality and CSR teams to share production locations' orders and social compliance updates. During those, the staff can decide if there is a need to go and visit a factory.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: Aside from information on Schöffel's website, brochures and look books, the company communicates about FWF membership on its garments, thanks to its Leader status.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Production locations are disclosed to the public	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: The link to Schöffel's Brand Performance Check is on its website. Schöffel's list of production locations is released in the company's Social Report.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Schöffel published its Social Report, in English and German, on its website after submitting it on time to FWF.

TRANSPARENCY

Possible Points: 6

Earned Points: 6

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The Head of Logistics and Production, which responsibilities include Quality/CSR, is member of Schöffel's board. Once a month a meeting between the board and all departments' directors takes place and includes FWF membership requirements. The outcomes are then shared within all departments.

One of Schöffel's strategic CSR goals is to maintain FWF leader status in order to differentiate and perform better than its competitors on the market.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

Schöffel would appreciate if FWF could have more German communication content because the issues of social compliance are complicated to explain to consumers.

Schöffel would appreciate if auditors could be better prepared and organised when conducting audits.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	44
Monitoring and Remediation	25	27
Complaints Handling	10	15
Training and Capacity Building	11	15
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	92	116

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

79

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

06-06-2017

Conducted by:

Florence Bacin, Lisa Suess

Interviews with:

Peter Schöffel – CEO

Georg Kaiser – Division Manager Production/Logistics

Marco Tenace – Head of Quality and CSR

Katrin Klug – Team Quality, CSR

Gabi Gorkos – Head of Purchasing Department

Martina Beckmann – Head of Procurement

Adele Kolos – Operational Purchasing / CSR

Ilka von Goerne– Public Relations

Katrin Lörch – Public Relations